

## Article - Education

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§18–19A–04.1.

(a) (1) Subject to paragraph (2) of this subsection, for investment accounts established after December 31, 2016, a State contribution may be made to not more than two investment accounts for each qualified beneficiary as provided in this section if:

(i) The qualified beneficiary of the investment account is a Maryland resident;

(ii) The account holder submits an application to the Board or its designee between January 1 and June 1 of each year; and

(iii) The account holder has Maryland taxable income in the previous taxable year no greater than \$112,500 for an individual or \$175,000 for a married couple filing a joint return.

(2) For State contribution application periods after December 31, 2020, a qualified beneficiary may not receive more than two State contributions for each year the qualified beneficiary is eligible for the State contribution under this section.

(b) (1) An application may be made in person, online, or by mail.

(2) The Board shall develop:

(i) An application form that:

1. Includes permission for confirming Maryland taxable income with the Comptroller; and

2. Allows for certification of Maryland residency;

(ii) A procedure to certify the date and time of receipt of an application; and

(iii) Any other necessary procedures for the submittal of applications.

(c) (1) For an account holder with Maryland taxable income of less than \$50,000 for an individual or \$75,000 for a married couple filing a joint return who contributes at least \$25 per beneficiary during the contribution period in subsection (e) of this section, the State shall provide an additional \$500 per beneficiary.

(2) For an account holder with Maryland taxable income of at least \$50,000 but less than \$87,500 for an individual or at least \$75,000 but less than \$125,000 for a married couple filing a joint return who contributes at least \$100 per beneficiary during the contribution period in subsection (e) of this section, the State shall provide an additional \$500 per beneficiary.

(3) For an account holder with Maryland taxable income of at least \$87,500 but no greater than \$112,500 for an individual or at least \$125,000 but no greater than \$175,000 for a married couple filing a joint return who contributes at least \$250 per beneficiary during the contribution period in subsection (e) of this section, the State shall provide an additional \$250 per beneficiary.

(d) (1) The Governor shall appropriate in the budget bill at least the following amounts for State contributions:

(i) \$5,000,000 in fiscal year 2018; and

(ii) \$3,000,000 in fiscal year 2019 and each fiscal year thereafter.

(2) If the funding provided in a fiscal year is not sufficient to fully fund all State contributions authorized under this section, the Board shall:

(i) Provide contributions in the order in which applications are received; and

(ii) Give priority to applications of account holders who did not receive a contribution in any prior year.

(e) (1) An account holder shall contribute at least the amount specified under subsection (c) of this section on or before November 1 of each year in order to qualify for the State contribution.

(2) A State contribution shall be made by December 31 of the calendar year in which the account holder made the contribution.

(f) An account holder is not eligible for the subtraction modification under § 10-208 of the Tax – General Article for any taxable year in which the account holder receives a State contribution.

(g) (1) The Board shall develop and implement by September 1, 2018, an outreach and marketing plan to provide notification to individuals about the availability of a State contribution.

(2) The outreach and marketing plan shall:

(i) Make use of a variety of marketing media, including billboards, brochures, and electronic resources; and

(ii) Provide a centralized contact point for individuals to obtain information about opening an account and the availability of a State contribution.

(3) By December 1, 2018, the Board shall submit a report in accordance with § 2-1257 of the State Government Article to the General Assembly on the details of the outreach and marketing plan.

(h) The Board may adopt any regulations that the Board considers necessary to carry out the provisions of this section.

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